

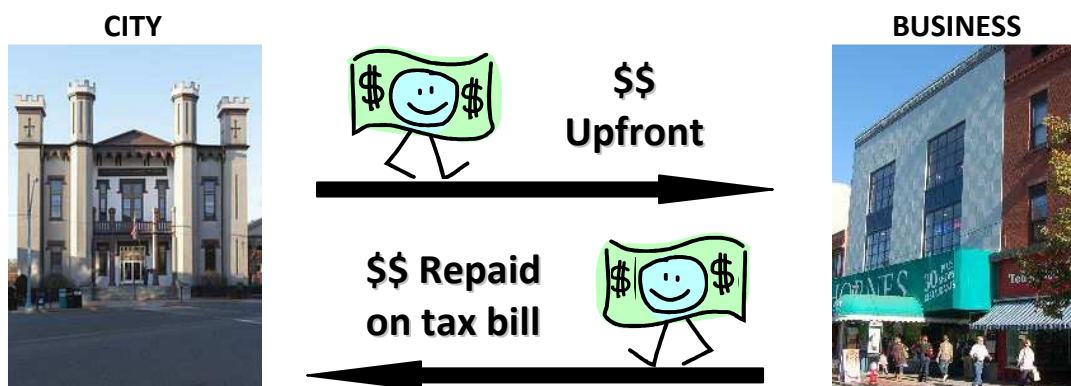
PACE - Clean Energy Financing for Northampton's Multi-Family & Commercial Property Owners

Public Hearing: June 7, 2011, 6:30 PM, City Council Chambers, Puchalski Municipal Building

In July 2010, Massachusetts enabled municipalities to establish Property-Assessed Clean Energy (PACE) programs as an alternative means for homeowners and businesses to finance energy efficiency and renewable energy improvements to private property. Northampton PACE program(s) will provide long-term financing (up to 20 years) to private property owners to install energy efficiency and/or clean energy improvements that are repaid through an assessment on their property taxes.

PACE financing lets property owners use future energy savings to pay for current building improvements (e.g., upgraded insulation, sealing air leaks, or energy efficient boilers) that lead to those savings and automatically transfers the repayment obligation to the next property owner if the property is sold.

Currently, a federal policy ruling has paused PACE programs for most residential home mortgage holders. Due to this, Northampton will design initial PACE programs for multi-family and commercial properties.



- Creates PACE program and project approval process
- Provides upfront capital
- Attaches repayment obligation to the property deed
- Identifies work and chooses contractor
- Accrues energy savings
- Repays financing as a line item on the property tax bill
- **Repayment obligation (and energy savings) transfer with ownership**

Benefits of PACE to Northampton Multi-Family & Commercial Property Owners

- **Reduces Lost Capital** – Money wasted on excessive energy use is instead used to pay for building improvements.
- **No Upfront Cost** – No money down financing. (Note: PACE can be coupled with utility rebates to reduce costs needing to be financed.)
- **Improved Cash Flow** – More money in your pocket at the end of each year! PACE's 20 year finance option enables annual energy savings (from building improvements) to exceed annual assessment payments.
- **Low-risk Investment** – No need to worry about owning the property long enough to recoup your investment. Upon sale, the payment obligation passes on to the next owner (as do the efficiency savings).
- **Increased Customer Comfort** – Energy efficient buildings are more comfortable for staff and customers.
- **Ability to Market "Green" Business** – Owner can increase how "Green" a building is by accessing 20 years of energy savings to fund building efficiency improvements now.